

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7159**

**BILL NUMBER:** HB 1436

**NOTE PREPARED:** Jan 2, 2005

**BILL AMENDED:**

**SUBJECT:** Subcontractor liens.

**FIRST AUTHOR:** Rep. Hinkle

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**      **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** No Fiscal Impact

**Summary of Legislation:** This bill provides that a subcontractor, to acquire a lien, must provide notice of lien rights to a homeowner or the builder of a new home not later than two business days after the labor is performed. It also provides that a contractor must pay all subcontractors within two business days after receiving payment from a homeowner or builder. The bill provides that a builder must disclose to a purchaser all subcontractors used in the construction of a new home. The bill also requires a contractor to provide notice to all subcontractors when the contractor has been paid by the homeowner or builder.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Adam Brown, 317-232-9854.